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## **POOR PEOPLE FIRST**

### Report of the Working Group on the Reduction and Elimination of Poverty

We challenge the Social Development Summit to sharpen its focus. To advance the human condition, each summit must pass a threshold. The experience of recent years drives us to demand a new paradigm and a new set of values for Copenhagen. This is captured by the three words:

### **POOR PEOPLE FIRST**

We challenge those preparing and convening the Summit to have the vision and courage to adopt these three words as basic value and banner for the Summit, and with commitment, rigour and logic to face and master the moral and intellectual challenge they present.

We urge this for good reasons. The gross abuse of absolute poverty has not diminished. Hundreds of millions of the poorest are set on a dreadful downward slide. In many of our societies, in the North as well as South, the poor have been losing their voice. At least three-quarters of the most deprived are females, who so often suffer gender-based discrimination and violence. More and more, policies and practices which penalise the poor have come to be met with supine acquiescence. The realities of the deprivations experienced by the poor have all too rarely been perceived by the powerful. And among those who are not poor, the ethic of altruism, of service and sacrifice, has been eroded by materialism and ideologies of self-serving greed.

POOR PEOPLE FIRST focuses analysis and action with a logic and rigour which shows that social is not soft; redefines and relocates development when it has begun to lose its way; revalues human values; rekindles commitment to a fairer world; and opens the way for a new agenda for adoption at the Summit.

### The Pattern and Nature of Poverty

Those defined as the absolute poor in income number over one billion, over half of them in Asia, and about a quarter in Sub-Saharan Africa. Many live in fragile environments which present challenges for sustainable development. Most of the poor are rural but increasing numbers are urban. Most of the poor are female. However we define poverty and deprivation, we live in a world of growing disparities both between countries and within countries. Gender differences are sharp: vulnerable and poor female-headed households are increasing; and at the sex ratio of the rich North, there are 110 million women missing in the poor South. Few would argue that indicators of relative deprivation such as these are anything but a totally unacceptable affront to our common humanity. Yet the realities they represent have proved resiliently sustainable.

In assessing conditions, and seeing what to do, one impediment has been the universal, reductionist, standardised and stable realities of "us", centrally placed and powerful professionals. In contrast, the realities of the poor are usually local, complex, diverse and dynamic. Poverty has been defined professionally in measureable terms as low income, or income-poverty. This, though important to poor people, is only one dimension of their disadvantage and deprivation. Their criteria of deprivation and wellbeing, of the bad and the good life include much more besides income. Other dimensions of their experience include social inferiority (including being born a woman), isolation, physical weakness, vulnerability, seasonal stress, powerlessness and humiliation. A key approach to reducing deprivation and poverty is, then, enabling them freely to express their reality and respecting and supporting their priorities.

One objective on which professionals and the poor may be able to agree is sustainable livelihoods. Employment, unemployment and jobs are concepts generated in the urban and industrial world of the North. We have projected them onto the very different realities of the rural and agricultural world, and of the urban informal sectors, of much of the South. As concepts they do not fit the multiple activities through which many poor people put together and sustain their complex and diverse livelihoods, coping through different members of households doing different things in different places at different times of the year. The challenge is to learn how to enable poor people to gain more secure, sustainable and adequate livelihoods, through baskets of measures which enable them to make their labour more productive in different ways.

Poverty has many causes, some distant and some close. Long causal chains are harder to see and interpret, but no less real or significant for that. In the new global society, connections are closer and effects faster than before. To enable poor people, children, women and men, to be better off in their own terms entails therefore analysis and action at multiple levels, from the micro to the macro and the global. In particular, reduction of poverty and deprivation can be sought through changes in national policies; through new powers to achieve global accountability and equity; through tapping new resources; through changes which are institutional, professional and personal; and through a new agenda for action.

#### National Policies

Poverty and deprivation at the individual and household level are nested within national poverty and deprivation. There are poor people in wealthy countries, but most of the very poor are in the poorer countries. Many are vulnerable, through shocks, sudden needs, and seasonal stress, to becoming yet poorer - through sickness, disability, and loss, mortgage or sale of livelihood assets. The normal prescription of economic growth is in itself inadequate. In no country is national economic growth alone enough to reduce or eradicate poverty and vulnerability. The pattern of growth, with participation by the poor, redistribution of assets and of the fruits of growth, and safety nets, are crucial if the poor are to gain and gain securely.

The need for some forms of structural adjustment is not disputed. In the implementation of structural adjustment, however, the winners and losers have varied. Processes have all too often enriched some, impoverished others, and penalised the poor, and especially women - through user fees and declining resources for education, health and other services, through removal of welfare subsidies, and in other ways.

For poor people, basic services, access to basic goods, and targetted investment policies are vital. Support for primary health care and basic education should aim to help poor people to lessen their deprivation and isolation and better to function in the broader society. National policies should provide them both with production incentives and with safety nets to cushion shocks and stress. The manner of investment in the poor must also be empowering. This means targetting micro investments to respond to participatory analyses by the poor of their problems, opportunities and priorities, so that they gain ownership of the investment process, their labour becomes more productive, and they are empowered to improve their own wellbeing.

We recognise the importance to poor people of peace and equitable law and order, and of rights and information. Poor people are often disadvantaged by discriminatory legal systems, by their ignorance of their rights and by lack of access to legal support. Regulations and restrictions often penalise the poor, including those seeking livelihoods in the urban informal sector, and small farmers, by hindering their enterprise, inhibiting their investment, and exposing them to demands for bribes. Chinese experience shows how dramatic effects can be with the deregulation of oppressive systems which constrain household enterprise.

National governance structures provide few opportunities for the poor to participate in or influence decisions which affect their lives. All too often, the national social fabric is becoming increasingly frayed and torn.

We recommend:

- \* a new form of social conditionality based not on donor edict but on genuine dialogue between Governments and citizens' groups in the South and the Bretton Woods institutions, donors, and UN agencies. This dialogue should include taxing windfall winners from structural adjustment and owners of undeveloped land, and reducing military expenditure. The funds raised or released should be used to maintain and improve access for the poor to health, education, clean water, and other social services.
- \* safety nets as an integral part of social policy to enable the poor to withstand specific shocks and stress and preserve their livelihood assets in times of crisis
- \* legal reform, access to fair and effective justice for the poor, and enforcement of laws which protect them
- \* abolition of restrictions and regulations which penalise the poor
- \* expansion of women's access to basic education, skill training, basic health, nutrition, family planning, productive resources and markets, thereby enabling them to realise their potential
- \* endorsement and implementation by Governments of the Plan of Action from the forthcoming Beijing Conference on Women and Development
- \* the adoption by governments of the 20:20 formula for the allocation of national budgets and donor assistance to priority social services. This compact combines 20 per cent of national budgets and 20 per cent of donor assistance dedicated to priority poverty-focused social services.
- \* redistribution of assets and security of tenure, including rural land reform and urban land security for the poor, ensuring fair and equal rights for women
- \* decentralising government structures, introducing mechanisms to strengthen their accountability to the poor, and strengthening and enriching the structures of civil society and facilitating their participation in national policy dialogues

#### Global Accountability and Equity

Global perspectives show poverty in different forms and contexts - social, economic, political, and rural and urban - which demand different measures. Many of the poor are impoverished and kept poor by global institutions, events and actions. Most of these sustain poverty through causal chains which are not visible at the local level, and which are not subject to accountability. In confronting and tackling global accountability and equity, it is governments that have the main power to act. But we live in a world where power and accountability have been progressively abdicated by governments to the market, where transnational corporations increasingly exercise power uncontrolled either by governments or by international institutions, and where international monetary transactions on an unprecedented scale enable financial operators to cream off enormous profits at the expense of the rest of humankind. These tendencies and trends discriminate against and further impoverish poor and weak governments and poor and weak people. Such abuses cry out for correction. If Governments will not or cannot ensure accountability and equity at this global level, they must empower the UN system to act on behalf

of the people of the world. To undertake this responsibility, the UN will need new toughness, new mechanisms, and new teeth.

The Bretton Woods institutions also have limited accountability, and the new and welcome see-through transparency of the lower limbs and trunk of the World Bank does not yet extend to its head where much of the policy-making which affects the people of the poorer countries takes place. When the decisions taken affect or have potential to affect governments and poor people around the world, the process should be transparent and more openly accountable.

Over the long term, terms of trade have shifted against primary products and the poorer countries, making it harder for them to achieve economic growth and harder to repay debts. To confront this gross inequity is a persistent and perplexing challenge. It deserves renewed analysis and a new search for solutions.

National indebtedness, often incurred for loans which proved unproductive, is a drain on revenue and foreign exchange, and a major cause of national-level poverty. Multilateral debt poses a special problem because under current rules it cannot be reduced or written off.

We recommend:

- \* Establishment and enforcement of international environmental and social standards to regulate the activities of transnational corporations
- \* the Tobin tax on international currency transactions
- \* measures to stabilise terms of trade for poor countries and to enable them to exploit their dynamic comparative advantage
- \* debt repayments including those to multilateral creditors to be reduced to levels compatible with social and economic development. Debt for social development swaps should be extensively applied.

#### Resources for the New World Order

The measures advocated for poor-people-first policies require resources. We recommend that these should come from:

1. The Tobin tax. Applications of the considerable resources raised should include offsetting fluctuations and trends in terms of trade which discriminate against poorer countries, and especially their poorer people.
2. The Peace Dividend, from progressive demilitarisation. In the richer countries of the North, this should lead to increases in ODA flows. In the poorer countries of the South, this should be invested largely in the social sector to benefit the poorer people.

#### The Institutional, Professional and Personal Challenge

The changes we see as vital for putting poor people first are institutional, professional and personal. They entail decentralisation, diversity, democracy, participation and empowerment. These in turn demand personal vision, commitment and courage. They comprise a new paradigm which is centred on the reality, not of powerful professionals, but of the weak and marginalised poor. In sum, the implications are:

**institutional:** To promote participatory and equitable development requires a culture of participatory management in development organisations themselves. This permits and encourages free flows of information and mutual support. A consistent and effective attack on poverty by multilateral institutions requires less competition, more sharing and collaboration, and the exploitation by each of its distinctive comparative advantage in the realities of individual nations.

**professional:** Putting poor people first demands reversals of normal professional concepts, values, methods and behaviour. These entail learning from, and fitting action to, the local, complex, diverse, dynamic and unpredictable conditions and needs of poor people.

**personal:** For many, putting poor people first entails changes in values, behaviour and attitudes. This implies that those who are senior, older, male, highly qualified, or otherwise dominant, become listeners and learners, encouraging and legitimating similar change in others.

Empowerment: whose analysis, whose reality, whose interests, count?

The challenges of POOR PEOPLE FIRST are presented at levels which are global and international, national, and local and personal. At all levels, it is the realities of poor people that provide the rationale and the moral basis for analysis and action. At the global, international and national levels, this demands vision and commitment. The final point of reference for policies and reforms is their effect on the poor. To know what these are, those who are powerful have to empower those who are weak. This they can increasingly do through new participatory behaviours, approaches and methods which enable poor people to express and share their reality.

The paradigm which puts poor people first implies **a basic human right of poor people to conduct their own analysis**. In turn, this implies a professional and personal obligation among the powerful to enable the poor to analyse their lives and conditions, to plan action, and to act. This is central to the paradigm of altruism and reversals which puts poor people first.

We have outlined the national, global, and local actions implied by POOR PEOPLE FIRST. The question to those who prepare for the Social Summit, and to the Summit itself, is whether they have the commitment, vision and guts to propose and endorse these actions. Ignored, they might justify the poor viewing the Summit as yet another celebration of self-serving hypocrisy. Acted on with resolution, we believe they would reduce poverty, eliminate its worst forms, and go far towards sustainable wellbeing for all in a better and fairer world.

Saltsjöbaden

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